

“One-Stop Shop”

The Urgent Need for a Seamless, User-Driven Economic Development Strategy and Delivery System in the Erie-Niagara Region

A Report to the Erie-Niagara Regional Partnership

December 6, 2002

Prepared by the Economic Development Working Group

*A volunteer committee established by the Erie-Niagara Regional Partnership
for the purpose of making recommendations on the governance of
economic development in Erie and Niagara Counties*

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Economic Development Working Group

December 6, 2002

Hon. Barry Weinstein, Co-Chair
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25 Delaware Avenue – 7th Floor
Buffalo, New York 14202

Hon. Brad Erck, Co-Chair
Erie-Niagara Regional Partnership
c/o Niagara County Legislature
175 Hawley Street
Lockport, New York 14094

Dear Majority Leader Weinstein and Chairman Erck:

I am pleased to attach the report of the Economic Development Working Group (EDWG) in response to the request of the Erie-Niagara Regional Partnership that we develop a series of recommendations on the governance of economic development in the bicounty region. It has been my privilege to chair the EDWG and to work with an extraordinary group of volunteers from Erie and Niagara Counties on this important initiative.

As requested, these recommendations focus on the demonstrable need for improved coordination and efficiency in the delivery of economic development services in the bicounty region. We have made a total of 14 recommendations around four primary themes: (1) the *current picture*, (2) a *vision* for economic development, (3) a regional economic development *strategy*, and (4) creation of a seamless “*one-stop shop*” from the perspective of the consumer of economic development services.

As detailed in the section on the current picture of economic development, the Working Group is very much aware of many current and important initiatives in the region pertaining to the future of Buffalo-Niagara and economic development services in particular. The Framework for Regional Growth and the Buffalo Niagara Enterprise are primary examples of such initiatives. Moreover, we also want to value the current efforts internally within the individual counties pertaining to the structure and effectiveness of economic development services. We are hopeful that the attached recommendations will, among other benefits, be of value as a *regional context* for such internal reforms.

The Economic Development Working Group has also been very much aware of the limited scope of its charge from the Erie-Niagara Regional Partnership. As requested, the attached report is a set of recommendations – recommendations that require follow up. It is hoped that these recommendations will serve as a blueprint for a deliberate, aggressive program of implementation. Clearly, the Erie-Niagara Regional Partnership

can and should play a central role in that follow-up effort. I know that many of the people and organizations engaged in the Economic Development Working Group are eager to assist in the all-important implementation phase.

Thanks to both of you for your vision and initiative in convening the Economic Development Working Group. As chair of the effort, I have felt privileged to work with you and with the many people and groups assisting in this several-month project.

Please do not hesitate to contact me if you have questions in reference to the attached report and recommendations. I, and other members of the Working Group, would also be pleased to assist in public information sessions on these issues if you would find that helpful.

Very truly yours,

John B. Sheffer, II
Chair
Economic Development Working Group

JBS
Enc.

Acknowledgements

This report is the result of the effort and commitment of many people and organizations within Erie and Niagara Counties. Special thanks is owed to **Hon. Barry Weinstein**, Majority Leader of the Erie County Legislature, and **Hon. Brad Erck**, Chairman of the Niagara County Legislature, who, in their capacity as co-chairs of the Erie-Niagara Regional Partnership, took the initiative to establish the Economic Development Working Group last summer. Their vision for improved delivery of economic development services in the region served as a strong motivation for the recommendations which follow. Moreover, both took an active, helpful role in the efforts of the Working Group and its committees.

Particular recognition is also owed to three committee chairs of the Economic Development Working Group: **Peter Wendel** (vision), **Laura Roberts** (current picture), and **Jerry Murphy** (strategy). This committee work represents the heart of the efforts and recommendations of the Working Group. The entire process also benefited greatly from the staff work of **Tod Kniazuk** of the Erie County Legislature and **Rachel Mansour** of the Institute for Local Governance and Regional Growth, University at Buffalo.

Virtually all meetings of the Economic Development Working Group and its committees were held at the Pepsi Center in the Town of Amherst. Sincere appreciation is owed to the **Pepsi Center** and to **Town of Amherst Supervisor Susan Grelick** for making these arrangements.

The following is a listing of people who participated in diverse ways in the work of the Economic Development Working Group. Most were active members of the group and its committees and others contributed valuable perspective at certain stages in the process.

Mr. Harvey N. Albond
Town of Niagara Manager

Mr. James J. Allen
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Mr. Michael J. Bartlett
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Mr. Charles Bratek
Town of Concord Industrial Development Agency

Mr. William P. Brosnahan
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Mr. John J. Carr
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Mr. Timothy Trabold
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Transportation Council*

Honorable Barry A. Weinstein M.D.
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Mr. Peter Wendel
The Peter Wendel Group

Mr. Lawrence Witul
*Niagara County Industrial Development
Agency*

I. Background

The Economic Development Working Group (EDWG) was created in June 2002 by the Erie-Niagara Regional Partnership to assist in the critically important effort to improve the delivery of economic development services in Erie and Niagara Counties of New York State. The Erie-Niagara Regional Partnership, founded in 1998 by the Legislatures of Erie and Niagara Counties, seeks to build dynamic, cross-county partnerships to maximize resources and establish regional priorities that prepare the region for competitive participation in the global marketplace.

Specifically, the EDWG has been asked to propose a series of recommendations on the *governance* of economic development in the bicounty region. As articulated by the Co-Chairs of the Erie-Niagara Regional Partnership, Hon. Barry Weinstein (Majority Leader of the Erie County Legislature) and Hon. Brad Erck (Chairman of the Niagara County Legislature), the goal of the EDWG initiative is to advise the parent organization and the two counties on implementation of an effective “one-stop shop” for economic development services in the region.

The definition of “one-stop shop” is a provocative and complex matter, having both structural and marketing implications. The focus in this report is on the *consumer* of economic development services. It is from the consumer’s perspective that there must be a one-stop shop.

The governance emphasis in the following recommendations is clearly just one piece of a much larger picture, but it is a vital piece that has the potential to create a practical and constructive context for the many regional and local economic development initiatives currently underway, as well as new initiatives and innovations. As examples, an effective governance model for economic development services should have a close fit with such initiatives as the new bicounty Framework for Regional Growth, the marketing efforts of the Buffalo Niagara Enterprise, and the current efforts within the two counties to improve intra-county economic development services.

The recommendations included within this report are designed to respond to that limited, but important charge given to the Economic Development Working Group. The recommendations were conceived and drafted with the purpose of making governance of economic development more efficient and effective in the bicounty region. It is important to understand these recommendations as a roadmap to achieve improved governance – clearly a *process* is proposed rather than a completed product.

The EDWG believes very strongly that it is futile to talk about a *structure* without first considering the *current picture*, a *vision*, and a *strategy* for regional economic development. Three committees were therefore created to consider those three prerequisite factors. The recommendations in this report are structured in the same manner and sequence. The entire EDWG then met for the purpose of reviewing

recommendations of the three committees and formulating a recommendation as to the *structure* of economic development services in the bicounty region.

As requested by the Erie-Niagara Regional Partnership, it is the intention of the EDWG to present this report and its recommendations to the Partnership at its December 6, 2002 meeting.

Geographic Scope

The Economic Development Working Group was created by the Erie-Niagara Regional Partnership specifically to review the governance and structure of economic development and related issues in *Erie* and *Niagara* Counties. We have attempted to honor those parameters and, indeed, the Working Group was comprised of residents from those two counties only.

The Working Group also believes strongly, however, that the issues and recommendations included in this report are applicable to the bigger picture of the entire Buffalo-Niagara region. Indeed, it is believed that the more counties within the region that ultimately participate in a seamless approach to regional economic development, the more effective and efficient the delivery system will be.

It is also recognized that issues and collaborations pertaining to the relationship of the region with Southern Ontario are of great importance. While there is no attempt in this report to specifically deal with this binational synergy, it will be essential for the regional economic development structure, the proposed “one-stop shop,” in Buffalo-Niagara to actively pursue collaborative possibilities with our Canadian neighbors and build upon the current cross-border efforts of Empire State Development Corp., Buffalo Niagara Enterprise, and others.

Understanding the Current Picture of Economic Development in the Region

It is of absolute importance that decisions regarding the future of economic development in the region be based upon a thorough understanding of the current picture of economic development, including its structure, processes, problems, successes, and challenges. The creation of a vision for economic development, devising of a practical regional strategy, and establishment of a new model of regional governance should all be informed by a detailed knowledge of present strengths and weaknesses.

Particularly in light of the many recent initiatives within the two counties pertaining to reform of economic development structures and approaches, it is essential to build upon such efforts and avoid working at cross-purposes with them. The current challenges are substantial. In addition to dealing with a sluggish national and local

economy, the Buffalo-Niagara region is attempting to evolve from its traditional industrial base so as to keep pace with an increasingly competitive “new” economy. The region must balance the tasks of maintaining and expanding the area’s core of existing businesses, as well as attracting new enterprises. Buffalo-Niagara’s economic development community, including planning professionals, elected officials, and economic development representatives, is very much dedicated to making the region a viable competitor and a dynamic environment for long-term growth. As an example, a very deliberate effort is underway to position Buffalo-Niagara as a key national player in the bioinformatics industry. Some of the region’s economic development entities are engaging in cross-border, cross-jurisdictional partnerships to plan for growth, build relationships, maintain the region’s existing base of businesses, and facilitate the economic development process.

In spite of these encouraging steps in a positive direction, the current picture of economic development in the region is largely fractured and ineffective. Buffalo-Niagara remains one of the worst performing MSAs in the nation and the flow of businesses and jobs out of the region still outpaces the flow of such assets into the region. An understanding and analysis of the current structures and processes of economic development in the region is imperative to competently identify paths for improvement. Recognizing there are instances where this process is already working well, others may need to be changed to help this region become more competitive in economic development matters.

Included among the comments offered to the Economic Development Working Group on the current problems in the region are the following:

- Users already familiar with the current “structure” and “process” of economic development in the region have found the system for the most part effective and useful. However, customers outside the region find the process and structure uncoordinated and confusing. For instance, there is confusion as to the roles played by each component of the economic development structure and, as a result, a perception of overlap and redundancy in the process. A related concern is the lack of a central resource (virtual or tangible) that integrates all economic development components and provides users with information on incentives, helpful contacts, and available building sites.
- The region lacks a strategy for growth cross-county, while many local master plans and economic development strategies are outdated and do not reflect a regional strategy. Land use is an important component of the structure and process of economic development, but many communities do not have up-to-date master plans or their existing master plans do not reflect current regional growth trends. Many communities do not plan across jurisdictional boundaries, although it is important to note that New York State Home Rule gives municipalities the prerogative of independence in such governing matters.

- The region's varying retention, expansion, and contact management strategies are not coordinated regionally but managed at the county or municipal level.
- There is a sense of distrust among and low confidence in economic development agencies and boards, both among users of the system and those within the economic development structure. There is a perception throughout the region that economic development agency board members are under-qualified and appointed through an overly political process. Moreover, both users of and those within the economic development system distrust government and find it inefficient in handling economic development projects. Within both the private and public sectors an "I'd rather just do it myself" attitude prevails. For instance, the real estate sector does not embrace Empire State Development Corp.'s NY SiteFinder and many local economic development officials prefer to deal with employer customers individually, rather than refer to a central economic development entity for assistance. Indeed, turf issues are an issue and relate to the lack of trust among economic development players and government officials. Who should get more attention – Buffalo or its suburbs? Instead of objectively answering these questions as a region, they are too often muddled with politics.
- "We're trying to sell a broken down car," said one member of the Working Group, adding that both the suburbs and urban cores are losing businesses and struggling to lure new ones. Changing the process isn't going to help much as long as the region is impaired by high taxes, the dominance of unions, costly power, and a decaying urban core. Moreover, the region lacks a comprehensive strategy for its future. Currently no one, including real estate companies and developers, buys into a regional vision, which severely cripples the region. (Businesses and site selectors often request a statement of such a vision.) What are the region's priorities? Can taxes be lowered? Are there other noncompetitive aspects of the region that can be turned into assets? What can the region realistically change? These are issues that need to be addressed on a regional basis. Trading companies between the suburbs and cities is a zero sum game. The region needs to attract outside companies and a strategy is required to do so.
- Of course, the negative press in the region does not help. The accomplishments and cooperation among economic development players is rarely reported, while the infighting makes the papers on a weekly, and sometimes daily basis. Site selectors and prospective clients use the newspapers and news media as their primary source of information about a region.

As illustrated in the next section, there is clearly a strong foundation of work and talent in the region on which to build an effective economic development delivery system, but that building process is substantial and urgent if the above concerns are to be overcome.

Sampling of Existing Regional Economic Development Entities and Programs

The following is an alphabetical listing of 25 current initiatives which are intended to have a direct impact upon economic development in the Erie-Niagara region. The listing represents an enormous accumulation of valuable work, but also represents a largely fractured and ineffective total delivery system that requires a much more seamless, user-friendly approach to delivering economic development services. This listing is not comprehensive of all economic development entities or programs within Erie and Niagara Counties, especially those at the municipal level. The list, however, contains most major efforts at the regional level.

1) Amtrak:

The Greater Buffalo-Niagara Regional Transportation Council (GBNRTC) is managing a study by Amtrak to examine the feasibility of increasing the passenger train schedule between Buffalo and Niagara Falls, with an emphasis on tourist traffic. The study is currently on hold, however.

2) Brownfields:

A daylong brownfields summit sponsored by the Buffalo Niagara Partnership determined there is a vast potential for economic growth in transforming abandoned industrial sites into developable real estate. Brownfields redevelopment could create new jobs and investment. Although the redevelopment of the Union Ship Canal site along Buffalo's waterfront is garnering much attention, Erie and Niagara Counties have myriad other brownfields.

3) Buffalo Niagara Enterprise:

Buffalo Niagara Enterprise (BNE) serves as a single entry point for business inquiries about the region, including Southern Ontario. The group, formed in 1999, provides information about available properties and facilities, tax incentives, workforce development programs, and much more. BNE also measures a series of indices (positive survey results and increased business prospect activity, capital investment, jobs/employment, per capita personal income, and population) to track progress in regional economic development. BNE's directors, representing the region's major corporate entities, seek to provide a seamless response system for regional economic development through marketing and public relations, regional collaboration, professional consultation, and business attraction services.

4) Buffalo Niagara Now:

Developed by the Buffalo Niagara Partnership, this initiative is a short list of nine strategic initiatives deemed most critical to improving Buffalo-Niagara's competitiveness for private sector jobs and investment. They are: 1) establish a regional land use/infrastructure planning entity; 2) integrate the region's IDAs and other related entities into a collaborative network; 3) streamline the Department of Permits, Licenses, and Inspections for Downtown Buffalo; 4) develop a plan for market-rate housing to develop specific areas of downtown; 5) for downtown Niagara Falls, develop a Class A tourism destination; 6) increase hydropower; 7) reduce local property tax burdens; 8) form an extensive array of interrelated research initiatives in bioinformatics; and 9) create a new, focused organization to stimulate technology development.

5) Buffalo Niagara Partnership/Niagara USA Chamber

Formed in 1993, the BNP represents more than 3,500 member firms with about 250,000 employees in a marketplace covering eight Western New York counties and the Niagara Peninsula of Ontario. It seeks to increase private sector jobs and investments by improving the region's quality of life and making the regional economy as competitive as possible. By focusing three primary functions: (1) business and regional development; (2) government relations and public policy; and (3) member services, products, and discounts, BNP helps create and maintain an environment that helps businesses and individuals succeed. Niagara USA Chamber was formed last year to represent the entire business community of Niagara County and work to attract new businesses.

6) Build-Now NY:

Build-Now NY offers a large selection of pre-approved, "shovel-ready" sites for companies seeking to fast-track new construction or expansion projects.

7) Canada-U.S. BorderNet Alliance

This partnership binds together the largest and one of the most powerful binational economic regions in the world that includes Toronto, Hamilton, Niagara, Buffalo, Rochester, Syracuse, Plattsburgh, Ottawa, and surrounding areas. It is founded upon the principle that identifying a city as part of a region is vastly more effective than the city standing alone. The group firmly believes building regional partnerships among different sectors and forming joint ventures in trade can foster economic growth throughout the region. BorderNet represents the entire region through a neutral agenda focusing on the macro-economic picture.

8) CSX:

At the urging of the Erie-Niagara Regional Partnership, Niagara and Erie Counties have begun a series of quarterly meetings with officials of CSX Transportation to concentrate on economic development topics as well as the conditions of railroad bridges and grade crossings. Former quarterly meetings between county officials and CSX focused on shippers' needs, which are affected when railroad service delays and bottlenecks delay the transfer of goods.

9) Deloitte & Touche Land Use Study:

A report sponsored by the Buffalo Niagara Enterprise and conducted by the site selection arm of Deloitte & Touche examined the availability of land in the region for economic development. The study revealed that not much land in the region is suited for information technology or research and development companies. Environmental contamination also eliminated one of every three sites from consideration, especially troubling the cities of Buffalo and Niagara Falls. The site study was part of an expanded, five-year, \$27 million marketing campaign spearheaded by BNE.

10) Erie-Niagara Regional Partnership:

A committee created by a joint act of the Erie and Niagara County legislatures, the Erie-Niagara Regional Partnership meets regularly to develop proposals and strategies for implementing regional priorities in an effort to create jobs, reduce costs, and improve services for both counties. The Economic Development Working Group and the Regional Economic Development Database are among its initiatives that seek to improve the outlook for growth and economic development in the bicounty region.

11) Framework for Regional Growth:

Leaders of Erie and Niagara Counties recently pledged to collaborate on a joint growth and redevelopment plan. The plan, with public input, will guide growth and redevelopment in the region over the next 15 years. The plan will guide all sectors and jurisdictions in the two counties to make more collaborative decisions about land use and development, tourism, cultural heritage attractions, roads, water lines, roads, bridges, and related issues. A planning consultant will be hired; the plan is to be developed during the next two years.

12) Government Economic Development Boards, Departments, or Commissions:

The region's government in counties, towns, villages, and cities typically appoint economic development representative(s) or staff an economic development commission, board, or department (e.g., Erie County Department of Environment & Planning and the Niagara County Department of Planning, Development & Tourism). These entities cooperate with other economic development agencies throughout the region, offer prospective businesses technical assistance and guidance, and assist existing businesses within their jurisdiction.

13) Greater Buffalo-Niagara Regional Transportation Council:

The GBNRTC is the interagency, transportation planning group that establishes policies and programs for the Niagara Frontier. It was designed by New York State in 1975 to plan for transportation in Erie and Niagara Counties. It provides a regional forum for decision making related to the development of a multimodal, integrated transportation system for the Niagara Frontier.

14) KPMG Report:

This 99-page report prepared for the Buffalo Niagara Enterprise by KPMG recommended the consolidation of Erie County's myriad economic development agencies into one agency handling all major commercial development projects. With at least 13 different economic development offices handling 40 different financing programs, users are confused, the report stated. The report recommended the Erie County Industrial Development Agency take over large development projects, while the town IDAs focus on redeveloping older buildings and addressing the needs of small businesses. All information should be pooled into a central database. The region should create a "single, integrated agency that represents the entire region."

15) Niagara Bi-National Region Economic Roundtable:

This alliance of public and private sector interests seeks, through a series of recommendations, to strengthen and improve the competitiveness of this regional economy. The group was formed in 2001 based on the premise that the Canadian and U.S. economies are interdependent and transcend geopolitical boundaries. The roundtable's major objectives are: 1) develop a sustainable investment environment; 2) provide a full economic overview of the current state of the binational region; 3) prepare an economic vision and action strategy to improve the region's competitiveness; 4) reach out to a broad range of public, private, and community stakeholders in forming that vision and strategy; 5) identify strategies for the private sector, the government, and the education sector to improve the trade corridor; and 6) identify the policies, projects, and investments that will strengthen and support economic activity in the corridor.

16) Niagara County Economic Development Alliance:

A working group of economic development professionals, the NCEDA was formed to address the decline of business and industry in Niagara County by facilitating communication among the 30 or so agencies working on economic development in Niagara County. NCEDA also serves as a clearinghouse, or central location from which the private sector can receive information and referrals. Among the group's accomplishments are extensive involvement in Niagara County's business retention strategy and the printing of a directory of economic development groups and services in Niagara County.

17) Niagara County MOU:

Organized by the Niagara County Legislature, this MOU between the Niagara County Industrial Development Agency and the Niagara County Department of Planning, Development & Tourism will facilitate communication between the two economic development entities, as well as with the county legislature.

18) Niagara Power Project Relicensing:

The New York Power Authority's license to operate the Niagara Power Project will expire in 2007. NYPA must file an application to renew the license by 2005, a process that is set to begin by late 2002 or early 2003. The process and outcome are crucial to the economic future of the region. To ensure the process is inclusive NYPA will solicit participation from various stakeholders.

19) NY SiteFinder:

NY SiteFinder (nylovesbiz.com) is an interactive, online data management system featuring available sites and buildings throughout New York State. The network features instant access to critical information, including the number of acres or square footage, details on the site's utilities and its proximity to highways, interstates, airports, and colleges and universities.

20) Regional Economic Development Database:

The Institute for Local Governance and Regional Growth of the University at Buffalo, pursuant to a contract with Erie and Niagara Counties, has built, implemented, and now maintains the Regional Economic Development Database (REDD), an access-restricted database, which provides for the mapping, analytic, and other reporting needs of the Buffalo Niagara Enterprise (BNE). REDD is an informational resource for economic development figures such as site selectors, economic development agencies, commercial brokers, policy analysts, government officials, and others. The database incorporates demographic, environmental, firm, parcel, and infrastructure data. The REDD also incorporates geographic information systems (GIS) technology, which enables users to visually map various economic development data.

21) Small Business Development Centers:

The Niagara Small Business Development Center, headquartered on the campus of Niagara County Community College, provides management and technical assistance to start-up and existing small business firms. This assistance includes business planning, marketing strategies, cash flow projections, and financial analysis. Located at Buffalo State College, the Small Business Development Center of Buffalo offers similar services, including understanding the importance of a business plan, discovering sources of funding, preparing for e-commerce, developing marketing plans, and complying with licensing and regulations. It serves Erie and Wyoming Counties.

22) Smart (Electronic) Permitting:

The Institute for Local Governance and Regional Growth has recently been contracted to handle virtually all aspects of the creation and implementation of an online permitting program for municipalities within Erie County as well as an ongoing pilot project in Niagara County. This includes building the website and related technologies, and managing intergovernmental relations, data entry, and training.

23) Town Supervisors Consortium:

A loosely organized group of town supervisors (Orchard Park, Clarence, Lancaster, Hamburg, Amherst, and Concord) in Western New York began meeting to discuss the process of economic development in the region, especially in light of negative newspaper articles about the inefficient process here, and the proposal of a “one-stop shop” for economic development. The meetings ceased once the Economic Development Working Group convened.

A related cooperative effort in Erie County among its towns, villages, and small cities involves the Community Development Block Grant Consortium of Towns and Villages, which shares funds provided by the U.S. Department of Housing and Urban Development (distributed through the Erie County Department of Environment & Planning). These funds provide low-interest loans and grants for projects that redevelop blighted areas.

24) Unified Incentives Program (IDAs/BERC):

The six Industrial Development Agencies of Erie County and the Buffalo Economic Renaissance Corp. are collaborating to create a virtual “One IDA” by drafting common eligibility policies for bond financing and uniform payment-in-lieu-of-taxes incentives and legal documents. The Buffalo Niagara Enterprise, as part of this larger collaborative effort, will launch a business retention program using a database common to all agencies. Similar cooperative initiatives developed by the six IDAs and BERC will be announced soon.

25) Western New York AFL-CIO Economic Development Group

This organization collaborated with the Western Region of the School of Industrial and Labor Relations and the Buffalo Niagara Enterprise to examine the private-sector economy and whether unions provide the region with a competitive advantage. The group released a study — “Champions at Work: Employment, Workplace Practices, and Labor-Management Relations in Western New York,” which revealed that unions in Western New York are a valuable asset. In other initiatives the Western New York AFL-CIO Economic Development Group works to promote the region and encourage new investment and job creation.

26) Who Does What? Who Spends What?

The “Who Spends What?” study conducted for Niagara Falls (2002) and the “Who Does What?” study for Erie County (2000) and Niagara County (2002) evaluated government operations and suggested savings and consolidations. The Erie County Who Does What? Committee suggested about \$58 million in annual savings, while a similar study reported about \$15 million in savings for Niagara Falls. The “Who Spends What?” study for Niagara Falls was conducted by a pro bono group assembled by the Buffalo Niagara Partnership to study the city’s finances.

Recent Reforms and Initiatives in Response to Major Economic Development Issues

The chart below is intended to indicate the major economic development challenges facing the bicounty region and a sampling of the intra-county and inter-county initiatives attempting to meet those challenges:

Issue	Recent Reforms/ Initiatives Implemented
The “structure” of economic development in the region is uncoordinated and confusing both to those inside and outside the system.	KPMG Report
	Uniform incentive criteria for Erie County IDAs
	Buffalo Niagara Now Initiative
	Unified Incentives Program
	Who Does What? Who Spends What?
	Niagara County Eco. Development Alliance
The region lacks a strategy for growth cross-county, while many local plans are outdated and do not reflect a regional strategy.	Framework for Regional Growth
	Deloitte & Touche land use study
	GBNRTC 2025 plan
	Build-Now NY
	Regional Economic Development Database
	Smart (electronic) Permitting
	NY SiteFinder
There are too many retention, expansion and contact management strategies working in isolation, an inefficient process that stifles rather than encourages business growth.	BNE Business Retention / Expansion program

II. Recommendations

The Current Picture

Recommendation 1. A flow chart should be developed to create a visual representation of the structure of economic development organizations and services in the Buffalo-Niagara region. The flow chart should identify specific overlaps and redundancies, thereby revealing opportunities for improved efficiency. Data for the chart should be gathered through a survey delivered to economic development players in Erie and Niagara Counties, including chambers of commerce, business development centers, local industrial development agencies, planning departments, workforce investment boards, and economic development boards, etc. For each entity, the flow chart should include their mission (perceived and actual), descriptions of roles and authority, and staffing and funding profiles. Other recommended flow chart components include: databases and websites maintained, economic development activities performed (such as tours, etc.), incentives offered or under development, partnerships with other economic development entities, types of clients served, scope of service area.

It is crucial that the information in the flow chart be comprehensive. The KPMG report has already identified such information on some economic development entities (IDAs, etc.) in Erie County, but does not address Niagara County or many local-level entities (e.g., towns, chambers of commerce, and other local economic development groups). Thus it is recommended that this local information be gathered to supplement the KPMG study.

Recommendation 2. A roster of current local land use plans should be developed and a regional strategy to update out-dated plans implemented. The Framework for Regional Growth underway in Erie and Niagara Counties should provide the structure for municipalities to update their plans.

Recommendation 3. Ongoing retention/expansion strategies must be coordinated to encourage business growth. Such efforts in the region should be assessed to reveal opportunities for increased efficiency. For instance, if BNE has developed a region-wide retention strategy and database, the counties could consult with and help maintain the database, rather than develop strategies of their own. The assessment, ultimately, should help the region develop a comprehensive retention/expansion strategy. Moreover, every county should buy into this strategy and have access to a central database of information.

Recommendation 4. Uniform criteria for appointed decision makers in economic development (planning and zoning boards, economic development professionals, consultants, etc.) should be developed. Also, real estate professionals should be encouraged to list properties on NY SiteFinder. The use of a *regional entity* as the central location and first stop for customer information (attraction, expansion and retention) should be promoted. Also, uniform criteria for incentives in both Erie and Niagara Counties should be adopted.

A Vision for Regional Economic Development

Recommendation 5. It is essential that a compelling vision statement for regional economic development be adopted that captures an agreed set of short-term and long-term economic development goals and serves as a context for decision making in the future. A proposed vision statement is detailed below:

Draft
Vision Statement

This vision of economic development represents an ambitious, yet farsighted plan for Buffalo-Niagara that, through a technically sound strategy and a highly developed collaborative network, will improve quality of life for all. It seeks to achieve the following:

- A healthy local economy with a viable economic base, attracting leading edge industries that bring high paying jobs
- Coordinated regional economic development, land use, and transportation planning
- Development of a good labor mix, focusing on using coordinated higher education and job training programs to better train people for available and emerging jobs, resulting in a retention and expansion of our population
- Healthy, viable sustainable core cities, financially sustainable governments, agricultural land retained and developed for agricultural purposes, and continued attention to environmental issues in all areas
- Development of the region as a prime tourist destination that focuses on our waterfront, cultural, historic/architectural, and recreational assets
- Accessible waterfronts and adequate, integrated greenspace
- A positive regional image expressed through the news media and the attitudes of regional residents and leaders; a regional mindset and recognition of our assets and attractions

Creating a Regional Strategy

Recommendation 6. Development of an effective regional economic development strategy is a prerequisite to critical decisions about the structure or governance of economic development in the region. Such a strategy cannot be constructed in the abstract; the interrelationships to other initiatives must be fully explored and pursued. Examples of such initiatives include the Framework for Regional Growth (planning), Buffalo Niagara Now (product improvement), and the Buffalo Niagara Enterprise (marketing). There are other connections, however, certainly including the work of current IDAs and restructuring initiatives under consideration in both counties.

Recommendation 7. It is therefore essential to identify and understand the current picture of economic development in the region, including existing structure and current challenges. (see previous section on *Understanding the Current Picture of Economic Development in the Region* and Recommendations 1 to 4 above.).

Recommendation 8. An effective strategy should be based upon a compelling vision for regional economic development. (see Recommendation 5 above).

Recommendation 9. For a regional economic development strategy to work, it must be developed and implemented based upon a genuine buy-in and active participation from essential stakeholders in the region. Without such buy-in and deliberate efforts to build enduring relationships it is simply not worth pursuing. Some model of written understanding should be promulgated at the outset of the process to ensure all participants have a basic understanding and consensus regarding the purpose, the process, and the commitments required.

Recommendation 10. The following stakeholders should be identified to actively participate in the development and implementation of a regional economic development strategy:

- a. A neutral regional entity for facilitation. Any further consultant(s) retained would work in coordination with and report to the regional facilitator.
- b. A large, inclusive Steering Committee that consists of representatives from:

Framework for Regional Growth
Buffalo Niagara Enterprise
Buffalo Niagara Partnership
Buffalo Niagara Now
IDAs
Empire State Development Corp.
Academic institutions
Municipalities (legislative and executive)
Chambers of Commerce

Realtors, Commercial Real Estate Developers, Brokers
Participating Counties (legislative and executive)
Labor (organized and other)
Minority communities
Community organizations
Transportation (GBNRTC, NFTA)
Workforce Investment Boards
User businesses (large and small)
Planning entities
Public
Others

- c. A small executive group of perhaps 8 to 10 members should be named from the above representatives to provide leadership to the larger group. A structure of committees or working groups should also be developed to focus on separate parts of the planning effort. The regional facilitator would report to the executive group.

Recommendation 11. Other economic development strategies and models (from both the Buffalo-Niagara region and other regions across the country) should be researched for strengths and weaknesses and application to development of a regional strategy. With regard to models from other regions, attention must be paid to issues of comparability with our own region, but important innovations and approaches could spring from many kinds of sources.

Recommendation 12. Included among the matters to research from earlier and other approaches are the necessary components of an effective economic development strategy. Preliminarily, such components might include:

vision
connections to and cooperation with related initiatives
retention and expansion
attraction
innovation
marketing
response timeframes
institutional capacity
funding
lending
tax policy
land use
planning
job development
labor
urban challenges
training and technical assistance/workforce development

surveys
forecasting
public participation
information and technology (respective roles of initiatives such as
NY SiteFinder, REDD, WNYRIN, Buffalo.com, Bufflink, etc. –
improved networking among them)
structure
sustainability
evaluation
technical support for small businesses
education / technology transfer

Recommendation 13. The use of metrics (a standard of measurement) should be employed as an integral part of an economic development strategy for the region. A comprehensive system of indicators should be developed to measure both quantitative and qualitative performance. Moreover, performance indicators can be employed to measure different things at different levels, including program efficiencies, numbers of businesses served, and other internal factors. It will be essential, however, to also track outcomes — the ongoing effectiveness of the economic development delivery system — with such measures as jobs created, customer satisfaction, per capita income, etc. Utilization of customer surveys can be an effective tool in assessment of such factors.

Regional Governance – A One-Stop Shop

Recommendation 14. It is strongly recommended that a regional “one-stop shop” be created for Erie and Niagara Counties (and perhaps additional Western New York counties) to provide an enduring, seamless, and user-driven *point of access* for the consumer of economic development services. Such consumers include, for example, site-selectors, businesses currently in the region, prospective businesses, developers, and others.

It is further recommended that the exact nature and structure of this regional entity be determined based upon the active, deliberate pursuit of the above recommendations pertaining to development and implementation of a compelling regional vision and an effective, practical strategy.

The focus must be upon the critical question “what structure most effectively and efficiently implements the strategy and achieves the vision.” The regional structure could be a literal “one-stop shop” or a seamless process with multiple, coordinated parts. Attempting to decide on a final structure in advance of those foundational steps would be self-defeating.

Clearly, the structure of regional governance of economic development should take maximum advantage of existing economic development initiatives,

including internal reform efforts within the individual counties. In that regard, a practical, multi-county structure must be efficient in both administration and process and effective and flexible in taking advantage of emerging opportunities. However, this structure must also be able to accommodate and, indeed, provide a genuine sense of direction to the related economic development initiatives, approaches, and consolidations within the counties and region.

In addition to a *point of access*, a regional model of economic development governance can serve as an ongoing *platform for cross-county collaborations* and a *provider of services* best accomplished on a regional scale (research, data gathering and analysis, best practices information, administrative services, etc.). In many cases the entity would identify the best provider of services from existing organizations and resources in the region.

III. Conclusion

The current economic development delivery system in Erie and Niagara Counties is not one that can be defended from a perspective of quantitative outcomes or qualitative customer satisfaction. It is hoped that the 14 recommendations included in this report will serve as a blueprint for creation of a regional model for economic development in the two counties and perhaps the larger Buffalo-Niagara region.

It is clear that this report includes recommendations only, as requested by the Erie-Niagara Regional Partnership that convened the effort last summer. For this initiative to have any real value and concrete results, those recommendations now need to be actively pursued and effectively implemented. Current efforts by the counties and by existing economic development entities can and should have a critically important role in that picture. It is believed that implementation of a compelling vision, a practical strategy, and a regional one-stop shop will serve as an essential context for those efforts.